

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 9/30/2005

	As of <u>9-30-05</u>	As of <u>6-30-05</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,500,770,886	\$ 1,458,148,767
INTERNATIONAL EQUITIES	780,250,034	751,581,435
DOMESTIC FIXED INCOME	1,709,358,637	1,627,107,621
INTERNATIONAL FIXED INCOME	154,368,210	144,258,400
REAL ESTATE POOL	230,930,437	216,275,745
VENTURE CAPITAL	127,317,118	123,797,307
INVESTED CASH (NOTE 1)	<u>135,636,923</u>	<u>68,245,056</u>
 TOTAL INVESTMENTS	 4,638,632,245	 4,389,414,331
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	20,782,060	21,609,527
CONTRIBUTIONS/ASSESSMENTS REC	0	7,403,583
MISCELLANEOUS RECEIVABLES	<u>2,006</u>	<u>2,188</u>
 TOTAL RECEIVABLES	 20,784,066	 29,015,298
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	8,862,241	8,905,245
DUE FROM OTHER AGENCIES (NOTE 3)	146,322	89,903
FIXED ASSETS (NET) (NOTE 4)	<u>1,013,164</u>	<u>1,013,164</u>
 TOTAL ASSETS	 <u>\$ 4,669,438,038</u>	 <u>\$ 4,428,437,941</u>
 LIABILITIES:		
ACCOUNTS PAYABLE	3,362,639	3,464,962
ACCRUED EXPENSES	476,981	442,004
CAPITAL LEASES PAYABLE	9,550	9,550
DUE TO OTHER AGENCIES (NOTE 5)	<u>146,323</u>	<u>89,903</u>
 TOTAL LIABILITIES	 3,995,493	 4,006,419
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,424,431,522	3,975,436,484
CASH IN DURING YEAR (NOTE 6)	162,976,620	302,922,897
CASH OUT DURING YEAR (NOTE 7)	73,649,502	298,051,573
NET INCREASE (DECREASE)	<u>151,683,905</u>	<u>444,123,714</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>4,665,442,545</u>	 <u>4,424,431,522</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 4,669,438,038</u>	 <u>\$ 4,428,437,941</u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 9/30/2005

	Month Ended <u>9-30-05</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 10,963,606	\$ 27,531,863
SECURITIES LENDING INCOME	<u>1,647,647</u>	<u>4,697,434</u>
	12,611,253	32,229,297
 GAIN ON SALE OF INVESTMENTS	 33,410,321	 129,030,142
LOSS ON SALE OF INVESTMENTS	<u>16,518,252</u>	<u>52,402,988</u>
 NET GAINS (LOSSES) INVESTMENTS	 16,892,069	 76,627,154
 INVESTMENT EXPENSES	 194,479	 3,351,485
SECURITIES LENDING EXPENSES	<u>1,573,954</u>	<u>4,416,462</u>
 NET INVESTMENT INCOME	 27,734,889	 101,088,504
 NET APPREC (DEPREC) MARKET VALUE	 31,530,476	 71,362,517
MISCELLANEOUS INCOME/(EXPENSE)	<u>(1,690)</u>	<u>(118,733)</u>
 TOTAL INVESTMENT INCOME	 59,263,675	 172,332,288
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 1,636,315	 2,436,894
PURCHASED SERVICE CREDIT (NOTE 9)	32,082	894,677
PENALTY & INTEREST (NOTE 10)	<u>28</u>	<u>412</u>
 TOTAL ADDITIONS	 <u>60,932,100</u>	 <u>175,664,271</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,613,156	22,854,935
PARTIAL LUMP SUM BENEFITS PAID	0	21,045
REFUNDS TO MEMBER (NOTE 12)	<u>400,531</u>	<u>630,154</u>
 TOTAL BENEFITS PAID	 8,013,687	 23,506,134
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	79,729	239,329
OPERATING EXPENSES	136,804	234,903
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>216,533</u>	 <u>474,232</u>
 TOTAL DEDUCTIONS	 <u>8,230,220</u>	 <u>23,980,366</u>
 NET INCREASE (DECREASE)	 <u>\$ 52,701,880</u>	 <u>\$ 151,683,905</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
September 30, 2005

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
9/30/2005

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.